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The Decline and Fall of Rewald

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After 12 hectic days of revelations, the dust is beginning to settle on the gothic-lettered facade of the "international investment company" Bishop, Baldwin, Rewald, Dillingham & Wong.

The title of the company, which once conferred dignity and a sort of aristocratic arrogance, now seems to be some sort of a bad joke to some investors. There is no Bishop. There is no Baldwin. There is no Dillingham.

There is a 41-year-old former Wisconsin sporting goods dealer named Ronald R. Rewald who shuffled into court yesterday, his freedom checked by leg shackles and a \$10 million bail.

There is Sunlin L.S. "Sunny"

Wong, an Island real estate promoter cooperating in the investigation of the company, who walked out of federal court last week after testifying before a secret grand jury investigating the company.

Just as Rewald surrounded his name in the company title with well-known Island names, during his daily business he surrounded himself with respected Island personalities and professional people.

He created an air of wealth and tradition, riding in chauffeured limousines, running the polo club, sipping cocktails with the Island's upper crust and working out of an elegant downtown office.

BUT IN 12 days, all that has changed. Now that the opulent

haze that enveloped the company is gone, this is what is left:

—The company is under investigation by so many agencies that to list them is to create alphabet soup: the FBI, CIA, IRS, SEC and HPD.

—Some \$17 million in investor money is unaccounted for and a court-appointed bankruptcy trustee has found only a small part of it.

—The company is not one of the oldest international investment firms on the Island as was claimed; it only was incorporated in 1978.

—Rewald is not the veteran investment counselor he has held himself up to be. In fact, in 1976 he was in personal bankruptcy and a sporting goods company of

which he was president also went bankrupt.

—Rewald never attended Marquette University or played professional football for any team as he had said.

—There apparently are no foreign offices of Bishop, Baldwin, Rewald, Dillingham & Wong, as claimed in company brochures, according to bankruptcy trustee Thomas Hayes, but merely "desks" in rented offices and individuals who were wired money every month to keep the "office" open. The New Zealand office never existed. The Guam office existed on paper only. The International Tree House was claimed as an "office" by the company because it was leased on a month to month basis from the International Market Place by an

old Rewald acquaintance, restaurateur Don Beach. Beach, in turn, was the "Rarotonga office" by virtue of his residency there.

THE AURA surrounding Bishop, Baldwin, Rewald, Dillingham & Wong disappeared during an amazing series of daily events, which began at the end of July.

Attention was focused on the company with the release of an economic report on Hong Kong that the company touted as one of the most extensive ever done. But like the company, the report contained more flash than substance.

Respected economic analysts called the report sophomoric and poorly done.

The company had been under

Turn to Page A-6, Col. 1

6 Honolulu Star-Bulletin Thursday, August 11, 1983

A Recapitulation of the Saga of Ronald Rewald

Continued from Page One

investigation for several months, not only by some of the media, but by several government agencies. The release of the Hong Kong report attracted further media attention to the mysterious company with the high-sounding name.

The Star-Bulletin had been trying for two months to interview Rewald. Dates were set, but invariably they were delayed by the company.

On July 29, KHON-TV news first reported that the company had some problems, problems that now seem minor in comparison to the more recent developments.

Rewald attempted to kill himself in a Waikiki hotel room. Sources said he cut his wrists on Friday night, but was not found until Saturday at noon, barely alive. One source said if Rewald had arrived at the hospital a half-hour later, he would have died.

THIS IS WHAT happened during the next several days to the company many once considered an investment giant and to Rewald, whom many considered one of the wealthiest men on the island.

—Aug. 1: Bishop, Baldwin, Rewald, Dillingham & Wong closes its doors in the wake of Rewald's suicide attempt. Rewald is in Queen's Hospital in serious condition. The public learns that state regulatory agencies had issued two subpoenas to the company as part of an investigation of the company's activities. Rewald's background, including his past financial problems and the fact that he did not attend Marquette University as he claimed, is disclosed in newspaper stories. It also is disclosed Rewald and



Ronald R. Rewald
From riches to jail

Wong are the sole owners of the company.

—Aug. 2: D. Alden Newland, the company's legal counsel resigns,

saying Rewald made "false representations" to him about the company. After Newland's resignation, several other consultants quietly sever themselves from the company. A company spokesman maintains that the company is reorganizing itself and that it is open for business although all accounts are frozen.

—Aug. 3: Mary Bitterman, head of the state Department of Commerce and Consumer Affairs announces that Sunny Wong had resigned from the company. Nervous investors begin to complain to Bitterman that they are unable to get their money. It is learned that the company is under investigation by the Securities and Exchange Commission and the FBI. It also is learned that company files had been taken from the office by Rewald's security guards during the weekend and it is feared by some officials that the files have been destroyed.

—Aug. 4: At the request of some investors, U.S. Bankruptcy Judge Jon Chinen forces the company into involuntary bankruptcy and freezes all of the company assets. Hayes is appointed interim trustee and immediately goes to Bishop, Baldwin, Rewald, Dillingham & Wong offices in the Grosvenor Center to secure the office and have the locks changed.

Sue Wilson, the office manager, arrives at work with the company mail. Hayes asks for the mail and Wilson turns to leave. He follows her to the elevator, informing her of the court-ordered takeover. Wilson gives him the mail, but refuses to identify herself or answer questions. Wilson's whereabouts are unknown for several days, but she is finally served with a subpoena to appear before a federal grand jury when she visits Rewald in the hospital.

—Aug. 5: Trustee Hayes is given duplicates of company records, which an employee had hidden in a safe deposit box without Rewald's knowledge. Wong's attorney says Wong is voluntarily cooperating with agencies investigating the firm. Members of the news media are allowed to view Rewald's plush office, which contains a waterfall among the sculptured rocks along one wall. The waterfall is turned off.

It is learned the company also is under investigation by the IRS for possible unpaid taxes between 1977 and 1981. In a rare late evening hearing, U.S. Judge Harold Fong freezes all of Rewald's personal assets. Hayes says he uncovered evidence that 300 investors put some \$17 million into the firm. He also found evidence that Rewald used some of the money for his personal expenses, such as paying the mortgage on his \$1 million house and \$3.5 million North Shore ranch. A federal grand jury meets to hear evidence from former company employees.

—Aug. 6: The Star-Bulletin reports that Waimanalo land Rewald leased for a ranch actually is state land leased to polo enthusiast Nolan George. The transaction is under investigation by the state Department of Land and Natural Resources.

—Aug. 7: Rewald hires attorney Brook Hart to represent him. Hart delivers the missing files to the federal court for safekeeping until it can be determined who has the right to review them. Hart suggests that there may be some papers in files which show a connection between the CL and Rewald and asks that someone with classification clearance go through files first.

—Aug. 8: The Securities and Exchange Commission charges Bishop, Baldwin, Rewald, Dillingham & Wong with securities fraud. The SEC also charges that Rewald gave false information to the SEC. U.S. Judge Martin Pence expands the freeze on Rewald's assets to cover anything not covered in the earlier order. Rewald checks out of hospital late at night and is arrested by Honolulu police for investigation into theft charges.

—Aug. 9: Rewald is charged with two counts of theft by deception in connection with complaints filed by two investors. Bail is set at \$10 million, believed to be the highest in Hawaii's

history.

—Aug. 10: Rewald pleads not guilty to both charges in state District Court. He hires attorney Robert Smith to handle civil aspects of his case. FBI agents and CIA officers go through the files to see if there is any classified documents there as Rewald claims.

In another development, a \$351-million suit is filed against Rewald, Wong and Big Island attorney William Jolly on behalf of investors Daniel Wallace and Mary Wallace. Jolly was head of the company's Big Island office. He also invested money in the company and is listed as creditor in bankruptcy.